

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: EPHEDRA PERSONAL INJURY :
LITIGATION :
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:
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04 M.D. 1598 (JSR)

ORDER

PERTAINS TO ALL CASES

JED S. RAKOFF, U.S.D.J.

The Court has been advised by BALL BAKER LEAKE, LLC, accountants for the Plaintiffs' Common Funds held by the Clerk pursuant to Case Management Order No. 7 ¶ 2(a), that the Funds earned \$196,048 in interest during 2007 and will owe federal income tax of \$14,620.00 payable on March 17, 2008. The accountants state that the Funds will also owe \$19,000 in estimated tax for 2008. Accordingly, the Clerk is directed to issue two checks to the order of the United States Treasury in the amounts of \$14,620.00 and \$19,000.00 and send them by trackable mail or courier to Janice Page CPA, BALL BAKER LEAKE LLC, 122 East 42nd Street, New York, NY 10168, and Ms. Page is directed to forward the checks to the Internal Revenue Service together with the Funds' 2007 tax return and declaration of estimated tax due. These payments are to be disbursed from the Ephedra Plaintiffs' Common Expense Fund.

SO ORDERED.



JED S. RAKOFF, U.S.D.J.

Dated New York, New York
February 25, 2008

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: 2-26-08

Form 1120-SF (Rev. February 2007) Department of the Treasury Internal Revenue Service		U.S. Income Tax Return for Settlement Funds (Under Section 468B) For calendar year 20 07		OMB No. 1545-1394	
Please Type or Print	Name of fund EPHEDRA PLAINTIFF'S COMMON BENEFIT FUNDS			Employer identification number of fund (see instructions) 20 2037564	
	Number, street, and room or suite no. (If a P.O. box, see instructions.) C/O BALL BAKER LEAKE LLC, 122 E 42ND ST, SUITE #810				
	City or town, state, and ZIP code NEW YORK, NEW YORK 10168				
	Name and address of administrator (defined on page 3 of the instructions) JAMES NISS, SPECIAL MASTER; JAMES.NISS@VERIZON.NET				
Check applicable boxes: (1) <input type="checkbox"/> Final return (2) <input type="checkbox"/> Name change (3) <input type="checkbox"/> Address change (4) <input type="checkbox"/> Amended return					
Part I Income and Deductions (see instructions)					
Income	1	Taxable interest	1	196,048	00
	2	Dividends	2		
	3	Capital gain net income (attach Schedule D (Form 1120))	3		
	4	Items of income or gain from a partnership interest	4		
	5	Other income (attach schedule)	5		
	6	Gross income. Add lines 1 through 5.	6	196,048	00
Deductions	7	Trustee/administrator fees.	7	117,924	00
	8	Taxes	8		
	9	Accounting and legal services (attach schedule)	9	14,916	00
	10	Notification of claimants and claim processing expenses	10		
	11	Other deductions (attach schedule).	11	9,721	00
	12	Net operating loss deduction	12		
	13	Total deductions. Add lines 7 through 12	13	142,561	00
Part II Tax Computation (see instructions)					
	14	Modified gross income. Subtract line 13 from line 6	14	53,487	00
	15	Total tax. Enter 35% of line 14	15	18,720	00
	16	Credits and payments:			
	a	Overpayment from prior year allowed as a credit	16a	4,100	00
	b	Current year estimated tax payments	16b		
	c	Refund of overpaid estimated tax applied for on Form 4466	16c		
	d	Subtract line 16c from the total of lines 16a and 16b.	16d	4,100	00
	e	Tax deposited with Form 7004	16e	0	00
	f	Total credits and payments (add lines 16d and 16e)	16f	4,100	00
	17	Estimated tax penalty (see page 4 of instructions). Check if Form 2220 is attached <input type="checkbox"/>	17	0	00
	18	Tax due. If the total of lines 15 and 17 is more than line 16f, enter amount owed	18	14,620	00
	19	Overpayment. If line 16f is more than the total of lines 15 and 17, enter amount overpaid	19		
	20	Enter amount of line 19 you want: Credited to next year's estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	20		
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.					
Sign Here	Signature of fund administrator		Date 2/23/08	Title	
	Preparer's signature		Date 2/23/08	Preparer's SSN or PTIN	
Paid Preparer's Use Only	Firm's name (or yours if self-employed), address, and ZIP code BALL BAKER LEAKE LLC 122 E 42ND STREET, #810, NY, NY 10168		EIN 14 1845945	Phone no. (212) 661-1630	
			Check if self-employed <input type="checkbox"/>		

Schedule L Balance Sheets		(a) Beginning of year	(b) End of year
Assets			
1	Cash	2,772,297	10,101,837
2	U.S. Government obligations		
3	State and local government obligations		
4	Other investments (attach schedule)		
5	Other assets (attach schedule)	11,414	16,025
6	Total assets. Add lines 1 through 5	2,783,711	10,117,862
Liabilities and Fund Balance			
7	Liabilities.	16,852	142,350
8	Fund balance	2,766,589	9,975,512
9	Total. Add lines 7 and 8.	2,783,711	10,117,862

Additional Information

Yes No

- 1a Enter the amount of cash and the fair market value of property, valued at the date of the transfer, transferred to the fund during the tax year \$ 7,313,786
- b For transfers of property included on line 1a, attach a copy of each qualified appraisal and the statements received from a transferor under Regulations sections 1.468B-3(b) and 1.468B-3(e).
- c Were amounts transferred to the fund during the tax year by a person other than a transferor? ☒ Yes ☐ No
- 2 Enter the amount of tax-exempt interest received or accrued during the tax year \$ _____
- 3a Were direct and indirect distributions made to claimants during the tax year? ☒ Yes ☐ No
- b If "Yes," enter the amount of the total distributions. \$ _____
- 4a Did the fund make any distributions (including deemed distributions) to a transferor or related party during the tax year? ☒ Yes ☐ No
- b If "Yes," enter the amount of the total distributions and attach a statement showing the name, identifying number, and the amount of distributions to each transferor or related party. \$ _____
- 5a Check the type of liability (or liabilities) for which the fund was established.
- ☒ Tort
- ☐ Breach of Contract
- ☐ Violation of Law
- ☐ CERCLA
- ☐ Other
- b If "Other" is checked, enter the percent (by value) of the assets of the fund that are allocated to the "Other" liability %
Attach a statement describing the type of liability (or liabilities).
- 6 If the fund was established by a court order, enter the Court Order Number under which the fund was established _____

EPHEDRA PLAINTIFF'S COMMON BENEFIT FUNDS
EIN# 20-2037564
2007 FORM 1120-SF
ACCOUNTING SERVICES

Page 1, Part I, Line 9:

Ball Baker Leake LLC

Fees paid in 2007	\$ 12,384
Fees accrued in 2007	<u>2,533</u>
Total 2007 fees	<u>\$ 14,916</u>

EPHEDRA PLAINTIFF'S COMMON BENEFIT FUNDS
EIN# 20-2037564
2007 FORM 1120-SF
OTHER DEDUCTIONS

Page 1, Part I, Line 11:

Telephone	\$	223
Postage & Delivery		354
Meeting		1,067
Meals & Entertainment		599
Travel		7,760
Internet		17
		<hr/> 10,020
Less: 50% Meals & Entertainment		<hr/> (299)
Total Other Deductions	\$	<hr/> <hr/> 9,721

EPHEDRA PLAINTIFF'S COMMON BENEFIT FUNDS

EIN# 20-2037564

2007 FORM 1120-SF

OTHER ASSETS

Page 2, Schedule L, Line 5:

Reimbursement of Special Master's fees	\$	2,247
Due from IRS		13,260
Interest Due from IRS		<u>518</u>
TOTAL OTHER ASSETS	\$	<u>16,025</u>

EPHEDRA PLAINTIFF'S COMMON BENEFIT FUNDS
EIN# 20-2037564
2007 FORM 1120-SF
LIABILITIES

Page 2, Schedule L, Line 7:

Accrual:	
Accounting Fees	\$ 2,533
Special Masters Fees	8,077
Admin Fees	107,100
Admin Expenses	<u>10,020</u>
	127,730
Taxes	<u>14,620</u>
TOTAL LIABILITIES	<u>\$ 142,350</u>